

Alan Bible of Nevada sitting right there across the aisle from me. We were in the minority. Senator Bible then was in the majority. He said to me that he had not made up his mind about the pipeline. I don't think I have seen it since—I had never seen it before. But Senator Bible sat there for the whole time of the debate on the floor, and just before the end of that debate he came to me and said: I am going to vote with you because I know this is a national security issue.

There is no question today, because of the security crisis we face and our dependence upon foreign oil, the oil from Alaska's north slope is a national security issue. We now import nearly 60 percent of our oil daily. We have over 700,000 barrels of oil a day coming from Iraq—Iraq, Mr. President. There was not one barrel of oil coming from Iraq at the time we debated the concept of what we should do during the Persian Gulf war. Obviously, there has been a great change.

It is estimated that we will import nearly 230 million barrels of crude oil from Iraq by the end of this year. Almost 40 million barrels of that will be unloaded in California. Why? It is replacing oil that used to be delivered to California through the Alaska oil pipeline.

As I said, we delivered 2.1 billion barrels a day during the Persian Gulf war. Today, it is 1.2 billion barrels a day. At a rate of \$20 per barrel, we send over \$5 billion a year to Iraq to buy oil that we could produce in our own country.

During peacetime operations, the Department of Defense uses about 300,000 barrels of oil a day. Most of it is jet fuel. That has increased now by over 200,000 barrels a day, as it did during the gulf war. Defense fuel usage is increasing daily because of our activities in the global war against terrorism, particularly the events in Afghanistan.

During the Alaska pipeline debate, Senator Paul Fannin of Arizona gave two reasons for why the pipeline was a national security issue. First, he said it would reduce our dependence on foreign countries. Obviously, that was a valid statement.

Senator Fannin's second point was the construction of the pipeline would create tens of thousands of jobs. It did. Economic reports show that a small pipeline connecting the Alaska pipeline to transport oil out of the Coastal Plain will create several hundred thousand jobs nationwide.

Just yesterday I was given a study completed by the American Petroleum Institute. It stated that oil transported from the Coastal Plain down the pipeline to the Valdez terminal would require the construction of an additional 19 tankers to transport that oil to the coastline of the United States, particularly the west coast.

It will take 19, as I said, new tankers, with 2,000 direct construction jobs and

3,000 support jobs for each tanker. That is 5,000 jobs per tanker resulting in over 90,000 new jobs just in the shipbuilding industry by opening the coastal plain of ANWR for exploration and production.

During the debate on the Alaska pipeline issue in this body, I said, "We cannot afford to bury our heads in the snow and freeze, nor must we allow our economy and the jobs of thousands to be endangered while we stand idly by." That was true then, and it is even more true now.

Drilling on the Arctic coast and going forward with production of oil in the United States will help stimulate this economy. I intend to raise this issue again and again as we talk about stimulus for the economy.

I hope we will not hear the threat of filibuster against this measure to bring oil from the Arctic coast to the United States. It is a national security issue, and it must not be filibustered. No national security issue has ever been filibustered on the floor of the Senate. To do so now would be not only a violation of tradition, it would be a travesty of justice during a time of war.

I intend to speak often on this issue in the days to come. We cannot end this session of Congress without a national security energy plan which includes Alaska's North Slope oil and gas potential, particularly the oil and gas from the coastal plain.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I wish to speak in morning business for up to 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SEASONAL ENERGY EFFICIENCY RATING

Mr. BINGAMAN. Mr. President, I am here to address another aspect of the energy issue that will come before us as comprehensive energy legislation, hopefully either this fall or early next year. It may seem to be an unusual item to address on Halloween as we are going into the colder months of the year, but it is one which I think deserves attention.

There was a development 10 days ago that I think needs to be called to the attention of colleagues in the Senate. About 10 days ago, the Environmental Protection Agency transmitted formal comments to the Department of Energy—that is one agency of the Federal

Government commenting to another Agency or Department of the Federal Government—on the proposed standard for efficiency in central air conditioners. The Clinton administration had finalized a rule that mandated a 30-percent increase in efficiency for those central air conditioners. It was a so-called 13 SEER standard. SEER stands for seasonal energy efficiency rating.

Shortly after the current administration took office, they proposed to back off this mandate and reduce it to only a 20-percent increase or a 12 SEER standard. The argument used by the new administration in rolling back the air-conditioning standard struck many of us in Congress as being based on outdated price data and a faulty analysis.

The Committee on Energy and Natural Resources, where the distinguished Presiding Officer and I both serve, had a hearing on this topic. We had expert testimony that demonstrated these analytical problems in the decisionmaking which the new administration had gone through.

This EPA filing 10 days ago capsulized those concerns eloquently. In the Agency's own words, the new proposed standard—that is, the 12 SEER standard, the lesser standard this administration embraced—"overstates the regulatory burden," it "understates the savings benefits of the 13 SEER standard, over and underestimates certain distributional inequalities," and "mischaracterizes the number of manufacturers that already produce at the 13 SEER level or could produce at the 13 SEER level through modest changes to the product. . . ."

I will read one other quotation from the explanation of the EPA position. It says:

EPA believes there is a strong rationale to support a 13 SEER standard.

That is what the previous administration adopted.

EPA also believes that the more stringent standard will be more representative of the long term goals of the administration's energy policy and will do more to reduce both the number of new power plants that need to be constructed, as well as the emissions resulting from these plants. . . .

While these comments by the Environmental Protection Agency have received some attention, I believe they deserve broader attention by the public and certainly deserve to be recognized by people in the Senate.

I ask unanimous consent that the text of the EPA letter to the Department of Energy and their explanation which they attached to that be printed in the RECORD following my statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BINGAMAN. Mr. President, getting to a more efficient air-conditioning standard is an important part of a national energy strategy. This

past summer, a nationwide heat wave in August led to brownouts and blackouts as our electricity system was stretched to its limits. While the new standard would take effect gradually over the long term, it would help reduce the peak demand for electricity on very hot days, and it would give consumers a break.

I have been informed that thousands of public comments have been filed with the Department of Energy favorable to the 13 SEER standard, demonstrating broad public support for sticking with that standard.

Previously, I indicated my belief that we should include a legislative provision mandating a 13 SEER standard in any energy legislation that we pass. It should be clear to all that this is a matter where there is broad public support for the better standard, and I believe the administration should try to be in line with that public sentiment.

I hope the Department of Energy decides to go back to the earlier established standard, and they can certainly do that administratively without Congress having to act. But if DOE continues to push for watering down the standard, then I hope the Office of Information and Regulatory Affairs in the Office of Management and Budget will exercise its watchdog role to ensure that good technical and economic analysis carries the day on this issue.

I expect we will continue to see strong legislative support for this standard in the debate on energy legislation we have over the next weeks and months, and I hope that ultimately the EPA view of this matter will prevail.

EXHIBIT 1

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY,

Washington, DC, October 19, 2001.

Ms. BRENDA EDWARDS-JONES,

U.S. Department of Energy, Washington, DC.

DEAR MS. EDWARDS-JONES: On behalf of the U.S. Environmental Protection Agency, I am pleased to submit the attached comments to Docket No: EE-RM-98-440, the Department of Energy's Proposed Rule: Energy Conservation Program for Consumer Products; Central Air Conditioners and Heat Pumps Energy Conservation Standards.

DOE has proposed a change to its previously issued standard that decreases energy efficiency requirements for residential air conditioners and heat pumps. DOE proposes to withdraw its previously issued 13 SEER standard and replace it with a 12 SEER standard. These comments affirm EPA's support for DOE's original 13 SEER standard.

EPA believes there is a strong rationale to support a 13 SEER standard. A 13 SEER standard represents a 30% increase in the minimum efficiency requirements for central air conditioners and air source heat pumps. In contrast, a 12 SEER standard represents only a 20% increase. The Administration's National Energy Policy stresses the important role that energy efficiency plays in our energy future. A 13 SEER DOE standard will do more to stimulate energy savings that benefit the consumer. DOE has quantified these savings at approximately 4.2 quads of energy over the 2006-2030 period, equivalent

to the annual energy use of 26 million households and resulting in net benefits to the consumer of approximately \$1 billion by 2020. In comparison, DOE projects that only 3 quads of energy would be saved over that same period with a 12 SEER standard.

A 13 SEER standard will also do more to reduce fossil fuel consumption and more to limit emissions of air pollutants. For example, by avoiding the construction of 39 400 megawatt power plants, a 13 SEER standard will reduce nitrous oxides (NO_x) emissions by up to 85 thousand metric tons versus up to 73 thousand metric tons that would be reduced with a 12 SEER standard. A 13 SEER standard will also result in cumulative greenhouse gas emission reductions of up to 33 million metric tons (Mt) of carbon. This is in contrast to a 12 SEER rule which will reduce up to 24 Mt of carbon equivalent by avoiding the construction of 27 400 megawatt power plants. At a time when many areas across the nation are struggling to improve their air quality, the additional emissions reductions achieved by a 13 SEER standard are especially important.

Thank you for the opportunity to provide these written comments. Should you have any questions, please contact Dave Godwin in EPA's Office of Air and Radiation at 202-564-3517 or via e-mail at godwin.dave@epa.gov.

Sincerely,

LINDA J. FISHER,
Deputy Administrator.

COMMENTS OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY ON THE PROPOSED RULE: ENERGY CONSERVATION PROGRAMS FOR CONSUMER PRODUCTS; CENTRAL AIR CONDITIONERS AND HEAT PUMPS ENERGY CONSERVATION STANDARDS, OCTOBER 10, 2001

OVERVIEW OF EPA COMMENTS

The Environmental Protection Agency welcomes the opportunity to comment on the Department of Energy's Proposed Rule setting forth energy conservation standards for residential central air conditioners and central air conditioning heat pumps. EPA recognizes that the new proposed DOE rule represents a 20% increase in minimum efficiency standards for central air conditioning and heat pumps. However, we instead support the previous final rule of a 30% increase.

EPA has issue with several of the arguments DOE used to justify the withdrawal of the previous final rule as outlined within the Federal Register Notice of July 25, 2001 and the Technical Support Document. In summary, EPA believes that the information in the Federal Register Notice of July 25, 2001

overstates the regulatory burden on manufacturers due to HCFC phase-out and concludes that the industry is under greater financial pressure from a 13 SEER standard than it is,

understates the savings benefits of the 13 SEER standard,

over and underestimates certain distributional inequities,

mischaracterizes the number of manufacturers that already produce at the 13 SEER level or could produce at the 13 SEER level through modest changes to the products, and thereby mischaracterizes the availability of 13 SEER product.

[EPA believes there is a strong rationale to support a 13 SEER standard. EPA also believes that the more stringent standard will be more representative of the long term goals of the administration's energy policy and will do more to reduce both the number of new power plants that need to be constructed, as well as the emissions resulting from these plants.] EPA's more detailed comments are provided below.

Another example would be:

Move directly to producing R-407C and/or R-410A units that meet the new DOE efficiency regulations;

Increase the production of these units to meet customer demand by 2006;

Meanwhile, phase out all HCFC-22 units by 2006.

Of course, some combination of these strategies is more likely to be taken and seems to offer the most opportunity for manufacturers to reduce regulatory burden.

The TSD states "To the extent that manufacturers can introduce new products utilizing the new refrigerant and meeting the new efficiency standard, the cumulative burden will be reduced." (TSD page 8-62). EPA believes that there is ample opportunity to meet both a 13 SEER efficiency standard and a ban on HCFC-22 in new equipment with limited regulatory burden.

UNDERESTIMATES OF SAVINGS IN THE COST BENEFIT ANALYSIS

DOE's analysis of the benefits of the withdrawn 13 SEER rule are significantly underestimated. DOE's analysis is based on summer 1996 electricity prices, adjusted downward based on EIA projections of future annual electricity prices. Changes in the electricity market due to utility deregulation has resulted in increased electricity prices overall. DOE did not consider this trend in its analysis.

According to Synapse Energy Economics' wholesale electricity price data, DOE analysis underestimates the cost of electricity for residential air conditioning by an average of approximately \$0.02/kWh. In addition, the California Public Utilities Commission raised some residential rates by as much as 37%, affecting more than 10% of the U.S. electricity market and thereby, raising the national average electricity prices above DOE's projections. Adjusting DOE's analysis to include more recent electricity prices will definitely and drastically alter the results indicating that a DOE minimum standard of 13 SEER represents the better decision for the nation.

OVER AND UNDER ESTIMATES OF DISTRIBUTIONAL INEQUITIES

EPA sees distributional inequalities that DOE has not adequately considered. One results from the fact that the residential price of electricity does not capture the complete cost for running systems that largely run at peak times. That is, except in select circumstances, residential customers purchase electricity based upon average rates, not "time-of-use" rates. The actual costs of electricity at peak times are dramatically more and therefore, higher peak rates drive up the average costs. Less efficient equipment operating at peak times drives up the cost of electricity for all customers, including those of low income, who are less likely to have central air conditioning. According to 1997 Residential Energy Consumption Survey (RECS) microdata (the same data set used by DOE in their analysis), of the total 101 million households represented, approximately 46% have central air conditioning, but among poor households, only 25% have central air conditioning; just half the rate of presence among non-poor households (See Exhibit 2).

Also related to distributional equities and according to the RECS data, among households below the poverty level, about 60% rent their housing units. This is in contrast to 27% of above poverty level households that rent (See Exhibit 2). Therefore, low-income consumers, or those defined as "poor"

in TSD Table 10.1, are not the ones to buy a central A/C or heat pump product, but they would be the one to pay the utility bill (or likely face increased rents if utilities were included in their rent) for the use of that product. Instituting a higher minimum efficiency standard will actually ensure that low-income consumers have lower utility bills, providing a benefit to this population.

MISINFORMATION ON PRODUCT AVAILABILITY

DOE justifies a lower SEER rule because the higher efficiency levels would put manufacturers out of business. However, according to the Air Conditioning and Refrigeration Institute (ARI) database of model combinations, many manufacturers already produce models that meet the 13 SEER requirements. This technology has been available for many years to large and small manufacturers alike. Although confidential ARI shipment information may not reflect large sales of high efficiency equipment, the publicly accessible ARI database of models shows extensive product availability. Over 7,000 air source heat pump model combinations and over 14,000 central air conditioner model combinations currently meet or exceed the 13 SEER level as listed by ARI.

The TSD (TSD page 8-2) describes a group of manufacturers that "offer more substantial customer and dealer support and more advance products. To cover these higher operating expenses, this group attempts to 'sell-up' to more efficient products or products with features that consumers and dealers value." With a higher standard, these manufacturers would not go out of business, but would rather continue to sell-up, to even higher efficiency levels or additional valued features.

Furthermore, results and upcoming plans for utility programs around the country also document the availability of 13 SEER and above products, as well as the demand for such products. Austin Energy's Residential Efficiency Program 2000-2001 gave rebates to single family existing homes for installation of split systems and heat pumps with efficiencies of 12 SEER and above. Rebates were staged: \$150 for 12.0-12.9 SEER; \$250 for 13.0-13.9 SEER; \$400 for 14.0-14.9 SEER; and \$500 for 15.0 and above. In total, 4,000 rebates averaging \$312 were given to consumers. These numbers illustrate that a significant portion of the rebates given were for 13 SEER and above units.

In New Jersey, a 3-year rebate structure began in 2000 with a \$370 rebate given for the installation of 13.0 SEER equipment and a \$550 rebate given for 14.0 SEER equipment. A total of 14,000 rebates were given in the year 2000. As of August 2001, 8,000 rebates were given out with approximately 6,000 of these units at the 14.0 SEER level. Overall results in New Jersey show that 27% of the market (1998-2000) are 13 SEER or higher with 60% of those being at the 14 SEER or higher levels.

The Long Island Power Authority (LIPA) instituted a program similar to the one in New Jersey offering rebates for installation of 13.0 and 14.0 SEER equipment. Results to date show that LIPA is on target to reach their goal of approximately 3,500 rebates for 13 SEER equipment. Approximately 80% of these rebates are for SEER 14 equipment. LIPA is expecting to ramp up to 5,000 rebates in 2002. Overall, 17% of LIPA's market in 2000 is at 13 SEER or higher, with the market share for existing homes even higher at 22%.

Program plans for 2002 in Texas and California are geared toward equipment at 13 SEER and above. Reliant Energy in Southeast Texas is planning an incentive program to target 13 SEER and above matched sys-

tems. California's two large municipal utilities (Sacramento Municipal Utility District and Los Angeles Department of Water and Power) and four investor owned utilities (San Diego Gas and Electric, Southern California Gas, Southern California Edison, and Pacific Gas and Electric), serving over 30,000,000 consumers, are planning rebate programs to assure California residents receive energy efficient equipment, measures, and practices that provide maximum benefit for the cost. These programs all revolve around 13 SEER equipment or higher. Actual incentive amounts are not yet available.

RECORD CLARIFICATION

Mr. BINGAMAN. Mr. President, I have a clarification for the RECORD. Amendment No. 2018 is an Inhofe amendment and not a Chafee amendment.

The ACTING PRESIDENT pro tempore. The RECORD will so reflect.

ORDER FOR RECESS

Mr. BINGAMAN. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Senate recess today from 12:30 p.m. until 2:15 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 3061, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3061) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

Pending:

Dorgan amendment No. 2024, to provide for mandatory advanced electronic information

for air cargo and passengers entering the United States.

The ACTING PRESIDENT pro tempore. The Senator from Oregon.

Mr. WYDEN. Mr. President, first I salute Chairman HARKIN and Senator SPECTER for doing, in my view, a superb job with respect to this bill. They have really set a special standard in terms of trying to work on important issues in a bipartisan way. The chairman has left the Chamber, but I want him to know how much I appreciate the good work he and his staff are doing on this issue.

This morning I wish to talk about a health and a scientific issue of extraordinary importance, and that is the vacancies that now exist at the National Institutes of Health, the Food and Drug Administration, and the National Cancer Institute. At a time when the public is focused on public health because of bioterrorism, there are many reasons we should be concerned about the work of these agencies and get these positions filled.

I want to talk for a few moments about why I am so troubled by the vacancies we are seeing at these agencies today. This has been, as all of us know, a decade of remarkable scientific progress in the health care field. It has really been something of a scientific and health care renaissance with extraordinary amounts of information learned about cells, about cancers, about what has come to be known as biological detectors that are important as we deal with anthrax and smallpox, and various other serious health concerns that Americans are focused on today.

This scientific progress has been bipartisan. Democrats and Republicans alike have joined to support funding for these very key public health agencies, and we have worked together to ensure these programs are properly funded.

I am convinced if those vacancies are not promptly filled, if we do not soon get a head of the National Institutes of Health and the Food and Drug Administration and the National Cancer Institute—if those positions are not soon filled—it threatens to unravel some of the important progress that has been made in this country over the last decade.

Suffice it to say, if those positions are not filled, a message is sent to the young scientists, to the young future leaders of this country in the health care field, that the Federal Government does not think this is particularly important. It takes years for companies to get products developed and approved, and this is especially true of the new products created by biotechnology. It is important that we have scientific leadership throughout this process—at the companies developing these products and at every level of these two important agencies—NIH